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8
9 BEFORE THE DEPARTMENT OF BUSINESS OVERSIGHT
10 OF THE STATE OF CALIFORNIA

11 In the Matter of:) ESCROW LICENSE NO.: 963-2279
12)
13 THE COMMISSIONER OF BUSINESS) ORDER IMPOSING PENALTIES UNDER
OVERSIGHT,) FINANCIAL CODE SECTION 17408
14)
15 Complainant,)
16 v.)
17)
18 REALTY ESCROW CORPORATION,)
19 Respondent.)
20)
21)

22 TO: REALTY ESCROW CORPORATION
6055 East Washington Boulevard, Suite 1000
23 Commerce, California 90040

24 NOW THEREFORE the Commissioner of Business Oversight (Commissioner) having found
25 Realty Escrow Corporation (Realty) failed to timely file its annual audit report containing audited
26 financial statements for its fiscal year ended August 31, 2018 (2018 audit report) as required by
27 Financial Code section 17406, it is hereby ordered, under Financial Code section 17408 of the
28

1 California Escrow Law (Escrow Law) (Fin. Code, § 17000 et seq.), that Realty pay the Commissioner
2 the sum of \$9,000.00, as of the date of this Order, and that said penalties shall continue to accrue at
3 the rate of \$500.00 per day for each day the 2018 audit report is late, until Realty files the 2018 audit
4 report with the Commissioner.

5 Under Financial Code section 17406 of the Escrow Law, all licensees are required to file an
6 audit report within 105 days after the close of the licensee's fiscal year. Realty's fiscal year end is
7 August 31st. Therefore, the Commissioner required Realty submit its 2018 audit report to the
8 department on or before December 17, 2018.

9 Financial Code section 17408 provides:

10 (a) If any person subject to this division fails to make any report
11 required by law or by the commissioner, the commissioner may
12 immediately cause the books, records, papers, and affairs of said person
to be thoroughly examined.

13 (b) The commissioner may impose, by order, a penalty on any person
14 who fails, within the time specified in any written demand of the
15 commissioner, (1) to make and file with the commissioner any report
16 required by law or requested by the commissioner, or (2) to furnish any
17 material information required by the commissioner to be included in
18 the report. The amount of the penalty may not exceed one hundred
dollars (\$100) for each day for the first five days the report or
information is overdue, and thereafter may not exceed five hundred
dollars (\$500) for each day the report or information is overdue.

19 (c) If, after an order has been made under subdivision (b), a request for
20 hearing is filed in writing within 30 days of the date of service of the
21 order by the person to whom the order was directed, a hearing shall be
22 held in accordance with the Administrative Procedure Act, Chapter 5
23 (commencing with Section 11500) of Part 1 of Division 3 of Title 2 of
the Government Code, and the commissioner shall have all the powers
granted under that chapter.

24 (d) If the person fails to file a written request for a hearing within 30
25 days of the date of service of the order, the order imposing the penalty
26 shall be deemed a final order of the commissioner, and the penalty shall
be paid within five business days.

(e) If a hearing is requested, the penalty shall be paid within five business days after the effective date of any decision in the case ordering payment to be made.

The Commissioner notified Realty in writing on or about August 1, 2018 of the due date of the 2018 audit report, as well as the possibility of the imposition of fines if the audit report was filed late. Realty failed to file its annual audit report by the December 17, 2018 deadline. Thereafter, on or about January 24, 2019, the Commissioner sent Realty a ten-day demand letter concerning its failure to file the 2018 annual audit report. According to the Commissioner's ten-day demand letter, if Realty did not file the 2018 audit report within ten days, penalties would begin to accrue against Realty under Financial Code section 17408 of the Escrow Law.

Realty has yet to file its 2018 audit report as required under section 17406 of the Financial Code. As of the date of this Order, Realty's 2018 audit report is 29 days late.

Therefore, under Financial Code section 17408, it is ordered that Realty owes the Commissioner total penalties in the amount of \$9,000.00, calculated at \$100.00 per day for the first five days the 2018 audit report was overdue and \$500.00 per day thereafter.

Dated: February 27, 2019
Los Angeles, California

JAN LYNN OWEN
Commissioner of Business Oversight

By: _____
MARY ANN SMITH
Deputy Commissioner
Enforcement Division